



REALKOM

SUSTAINABILITY REPORT

2021

ABOUT THE REPORT

With our sustainability report we published; we aim to share our environmental, innovation and social performance with all our stakeholders within the framework of transparency.



CHAIRPERSON'S STATEMENT

We are proud to present Realkom's Sustainability Report of 2021. In developing this report, we followed GRI Standards among many of the sustainability reporting guidelines. We also decided to capture some of the unique perspectives from our employees and partners.

Under the guiding light of the sustainable development, the clothing industry has gone through a significant transformation. There is growing attention towards not only environmental but also social impacts of textiles.

We are bringing our technical expertise into denim design to offer a world of possibilities for impact management. Through compliance with ecological and ethical standards, we are managing our impact in the denim industry. Realkom's corporate citizenship program, "ReallImpact2020," is characterized by low resource consumption, reduced pollution, recycling of materials, traceability, and transparency.

Moreover, we believe that all actors along the supply chain have a role to play in reducing the social and environmental footprint of the products we produce. So our dedicated team focuses on growing environmental and social awareness among customers. Over the past years, we have expanded our management toolset with regard to sustainability services. We are at the stage of transforming our key values and finalizing our policies, which control not only business but also social compliance and environmental-related company achievements. We believe that our future will exist by building a corporate culture based on the concepts of technology, innovation, and sustainability, which are the basic elements of this transformation.

Technology and the digital world now have a much larger part in our lives. Realkom has the most innovative ERP and Digital QC systems that are able to measure every step of the production and report all steps in the software. Digitalisation took a big part of our internal systems that were able to control planning, buying, and quality.

On the other hand, self-assessment frameworks such as the level of fulfillment of the BSCI Code of Conduct and the HIGG Index Environmental Module strengthen our sustainability vision.

We have invested in a chemical company called Denim Chemicals together with Düzce University, and now we are able to produce most of our organic chemicals used in our laundry. So, we are the first denim company able to produce its own organic, sustainable chemicals. As a result of sustainable investments, just in 2021 we will have renewed our laundry to sustainable laundry systems and machinery lines which are able to wash our products with 80% less water and 65% less chemicals.

I would like to extend my appreciation to all my colleagues with whom we have walked together on our journey and to all our partners and clients who have walked with us throughout this process and have motivated us to always aim for the better.

Yusuf Yosi ÖZLEVI





REALKOM MANIFESTO

We set out a seal to contribute to a sense of the blue-green world. A better blue life to achieve a SUSTAINABLE green world...

We wanted to seal the entire world with REALKOM SEAL at every stage. We think a better blue world needs a unique touch of inspiration and creation. We're as ambitious as the feeling arose from our capabilities. We weave every idea and inspiration together, the inspiration we get from our blue world with a vision that no one has had before, we call it CREATIVITY.

We are confident because of the passion and the quality of our products. We build unbreakable bridges between our clients, like our word is our RELIABILITY.

We take every step in light of our policy of quality and we reach all our goals with this policy. We trust our quality and we use all our knowledge and experience to be the best. That's how we call QUALITY.

We continuously change and constantly renew ourselves. We blaze up innovative perspectives to our environment, clients and partners. We become better than yesterday, each day. This is what we call INNOVATION. Our values form the essentials of the blue world, which makes us who we are. We add all these values together and put another brick above. We approach these values with an inclusive perspective to create a greener world and unite around a seal. One for all, all for our blue-green world. This is what we call INTEGRITY.

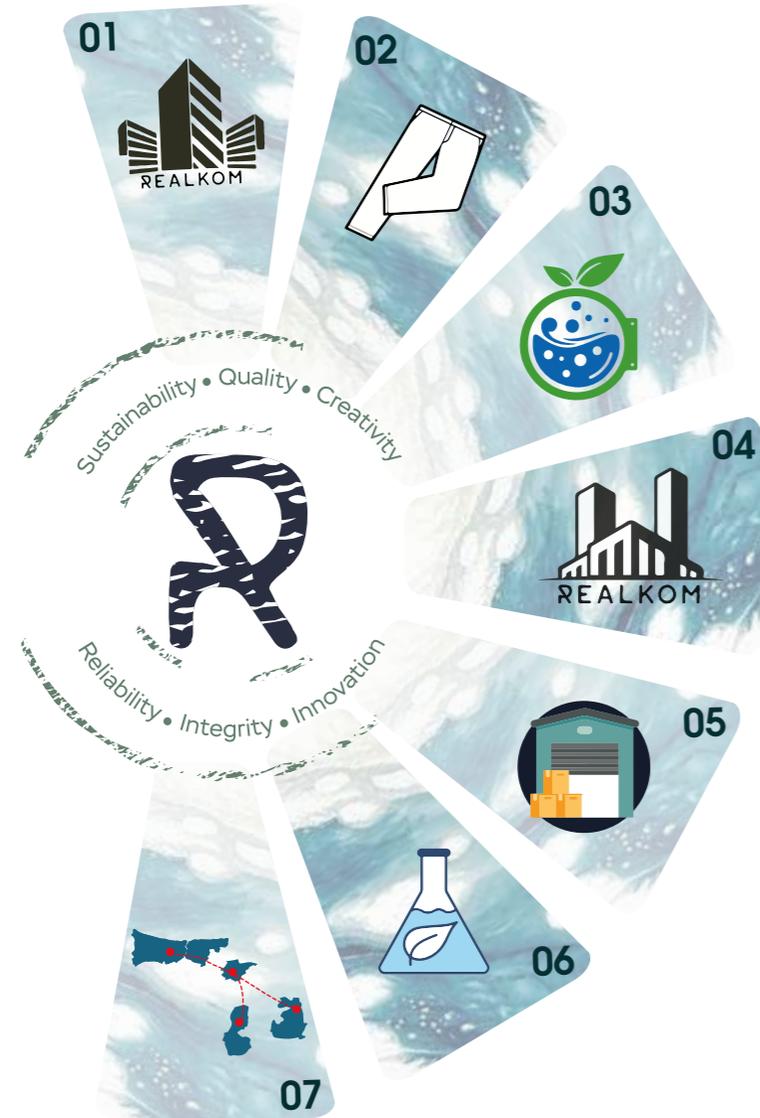
We take every step of ours into an Ecole, so that we can pass our experience on to the next generations. Because we know that all of our efforts make sense if we can make our world viable for future generations. Our goal is to be an academy that guides the future and to create a blue-green school.

REALKOM ECOLE means building the future of our industry with the perspectives we have developed and all the steps we take for a sustainable world.

We never compromise on the wisdom of the past and spread REALKOM SEAL values to new generations while building the foundations of a sustainable world with REALKOM ECOLE.

We see REALKOM SEAL and REALKOM ECOLE as two perfect parts of a bluegreen world. Because we know; to achieve a better blue life, we must have a sustainable green world.

INFO



01 Date of establishment 2001

02 Production of denim and non-denim garments for women and men, including trend forecasting and design

03 Full Sustainable Laundry

04 Textile & Apparel Products (65.000 sqm production area)

05 12.000.000 Production capacity (yearly)

06 Organic Chemical Production

07 Hq & Showrooms -Istanbul
Production Units
-Düzce
-Van
-Batman

OUR SUSTAINABILITY PARTNERS



We have been measuring environmental performance by using the Higg Index FEM Module since 2017 and have been sharing our verified results with our customers.



It proves that our activities provide sustainable working conditions with our BSCI audit score of **A**.



We also conduct studies on sustainable business practices throughout our production chain.



We transparently share our wastewater reports that are analysed according to ZDHC parameters on the ZDHC portal.



We create our chemical inventory list with BHive and share it transparently with our customers.



We have been included in the GOTS certification system with a responsible production approach.



We have been included in the OCS certification system with a responsible production approach.



We have been included in the RCS certification system with a responsible production approach.



We follow all the steps towards sustainable products.



We have the OEKO-TEX certificate to ensure human- ecological product safety.



We use EIM platform to efficiently monitor the environmental impact of washing operations.



We are working to determine our environmental factors in the process from the raw material to the presentation of the product to the customer and to control these factors with the necessary measures.



We have a quality management system that covers all stages from the design stage to production, marketing and after-sales services.



We are working to provide a safe and healthy working environment for all our employees.



We have ISO 50001 Energy Management System certificate that is based on the efficient use of energy.



We ensure to keep our information assets safe by creating an information security infrastructure against loss, damage and other threat risks with the ISO 27001 Information Security Management System.



We were entitled to received the zero waste certificate by establishing the zero waste management system.

OUR VALUES



REALKOM SEAL



*SUSTAINABILITY

For a better blue world we produce responsibly without compromising the needs of nature and human health.

*CREATIVITY

We weave every idea and inspiration together, the inspiration we get from our blue world with a vision that no one has had before, we call it creativity.

*INNOVATION

We become better than yesterday, each day. This is what we call innovation.

*RELIABILITY

We build unbreakable bridges between our clients, like our word is our reliability.

*INTEGRITY

We approach these values with an inclusive perspective to create a greener world and unite around as seal. One for all, all for our blue-green world. This is what we call integrity.

*QUALITY

We trust our quality and we use all our knowledge and experience to be the best.

SUSTAINABLE DEVELOPMENT GOALS



After the evaluations we have made, we have determined that the following objectives are compatible with our sustainability strategy.



In 2015, the United Nations adopted the 2030 Agenda for Sustainable Development, an ambitious plan of action, the Sustainable Development Goals (SDGs). The 2030 Agenda for Sustainable Development includes 17 SDGs. The goal was to define the measurable objectives that correspond to the plans.

In line with the materiality analysis process and with its new sustainability road map to 2022, Realkom measured its actual and potential contribution to the 17 Sustainable Development Goals (SDGs) of the UN and declared its commitment to the 2030 Agenda for Sustainable Development.

The 17 Sustainable Development Goals (SDGs) support the choice of our Sustainability Plan, ReallImpact, launched in 2018. Our plan of action focuses on 15 “strategic” contributions among 7.

Social and environmental responsibility are at the heart of the development of our business. We at Realkom consider voluntarily creating added value for our environment, society and the ecosystem as fundamental.

Due to the responsibility of being a global citizen in the denim world, we want to leave our sustainability legacy by focusing on the values we create. Initiated by eco-innovation, low resource consumption, reduced pollution, and transparency, we have initiated our corporate citizenship program “ReallImpact” in 2018.

Realkom gives a fresh boost to its Sustainability Management Structure

At Realkom, we have established sustainable development goals in related functions and levels within the organization. Our company creates the environmental and social priorities in the relevant functions, levels, and processes needed for the environmental management system and social compliance agenda.

The marketing team, quality experts, the Occupational Health and Safety- OHS committee, and the sustainable development committee called “Sustainability Ambassadors” get together and shape Realkom’s sustainability strategy, elaborating on the material sustainability issues.

OUR SUSTAINABILITY STEPS

🌱 SUSTAINABLE FIBER AND PRODUCT

We think that sustainable fashion starts with the choice of fabric. Because there are many issues behind the fabrics. These are production, processing, conversion of the fabric raw material and the water consumption and greenhouse gas emissions at all these stages.

We are working with our supply chain and customers to improve sustainability of our fiber- moving to more sustainable options such as organic cotton, recycled cotton, post consumer waste recycled cotton.

In 2021;



15% organic cotton



20% recycled cotton



65% better cotton



🌱 ENVIRONMENTAL MANAGEMENT

Environmental sustainability is one of the main responsibilities of textile companies in the sustainability field.

Realkom manages the environmental effects of its operational activities as part of its Sustainability Management System and issues published reports on environmental management.

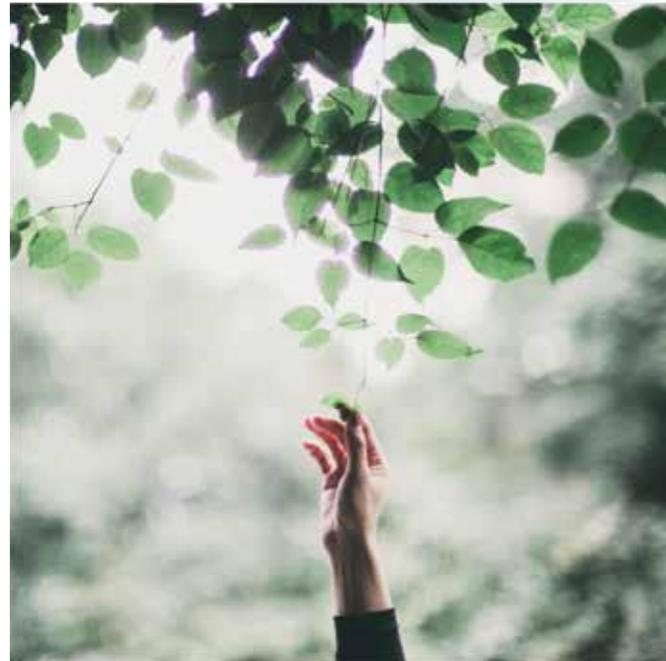
Realkom gives a central place to the preservation of the legacy of nature. Realkom is firmly committed to respecting the environment.

Reducing the impact of our activities on our environment via eco-innovative solutions, fighting against chemical pollution and optimizing energy savings are our permanent objectives.



WASTE MANAGEMENT

Waste management is an integral part of Realkom's overall circular business model. We make continuous efforts in every step of the value chain. Above all, we provide waste recycling and disposal to the licensed companies and thus contributed to the reuse of this "2nd hand raw material" as input for another industry.



The savings we provided in 2021 with our waste management;


23.100 KG
GREENHOUSE GAS


2020 PCS
SAVED TREE


420 M³
STORAGE AREA


606.600 Kwh
ENERGY CONSERVATION



WHAT? WE DO!

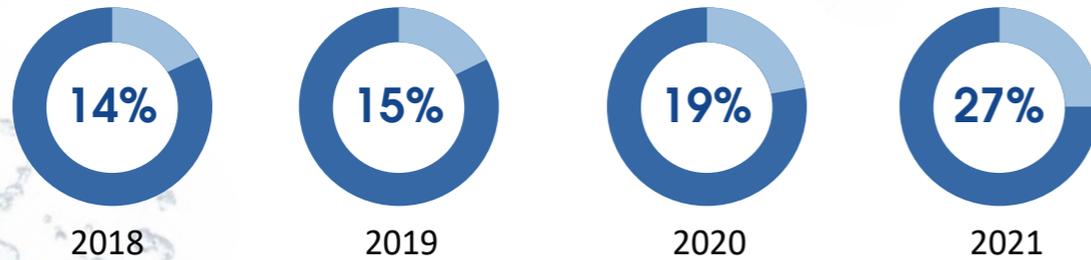
REALKOM Blends It's Organic Waste Into The Nature



WATER & WASTEWATER MANAGEMENT

We are aware that the world is facing an ever-growing water shortage and that the world's resources are to be management by all water users in a responsible manner. We work hard for the continuous of sustainable water use and water management.

Water Consumption Reduction Ratio



WHAT WE DO?

INSTEAD OF STANDARD STONE WASHING;
WE USE REALZYME GOLD + SYNTHETIC STONE COMBINATION APPLICATION

We provide benefits of the concentrated stone enzyme "Realzyme Gold" with Global Organic Textile Standard certificate, formulated by "Realkom" and "Denim Chemical" to achieve the appearance of used effect on denim fabric, and our washing process made with synthetic stone.

STANDARD STONE WASHES

EIM SCORE



MEDIUM IMPACT

REALZYME GOLD + SYNTHETIC STONE

EIM SCORE



LOW IMPACT

Savings up to;



73%



40%

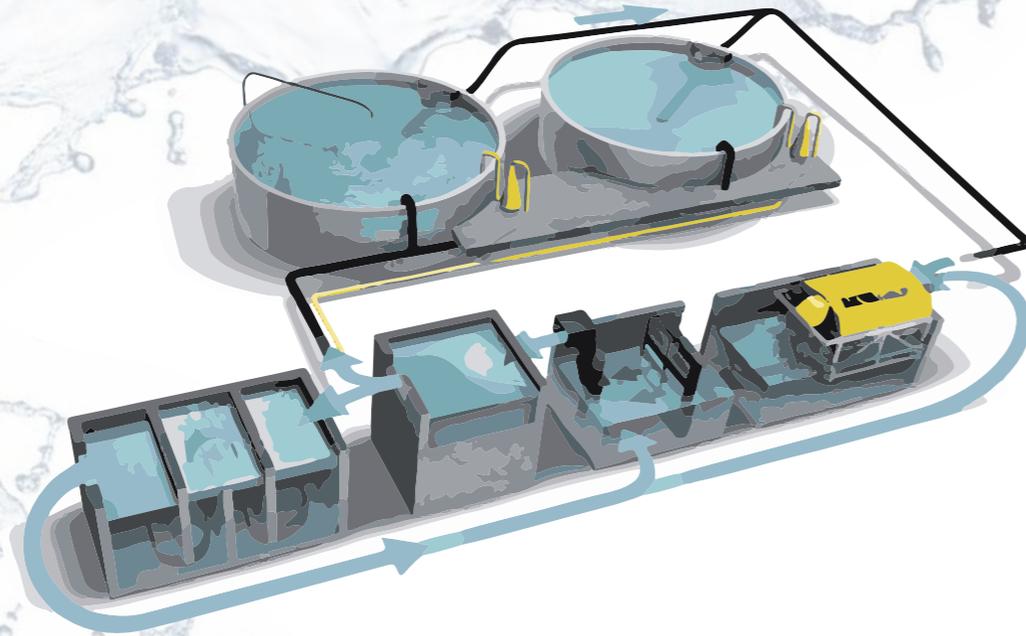


75%

WHAT? WE DO!

WASTEWATER TREATMENT PLANT

Purification and properly discharging of wastewater are important parts of our sustainability management system. We treat the industrial and domestic wastewater of our factory in accordance with the parameters specified in the regulations and customers criteria.



Our wastewater is analysed;

- Once a week, in our own laboratory, according to the parameters specified in the local regulations,
- Once a year in an authorized laboratory according to the parameters specified in ZDHC.

WHAT? WE DO!

E-FLOW

The e-flow technology gets air from the atmosphere and transforms it into nanobubbles. These bubbles consume minimum proportions of water and functional elements that are then carried on their surface in an optimal and efficient way.



Savings up to;



80%



41%



70%

WHAT? WE DO!

OZONE RANDOM PROCESS

After our sustainable process development efforts, the “Ozone Random Process” has emerged.

- Denim fabric does not need to be rinsed and moist before the ozone random process. The process is done while the fabric is dry.
- Random operation is carried out with ozone gas, which is an ecological bleach instead of water and bleaching chemicals. Accordingly, the need for water for the process is eliminated.
- There is no need for neutralization after the ozone random procedure. In this way, the need for water use and chemical consumption were eliminated by reducing the treatment load.



Savings up to;



WHAT? WE DO!

USAGE OF THE NEW GENERATION WASHING MACHINE

Our sustainability goals are to increase efficiency in production, use environmentally friendly raw materials and reduce water, chemical and energy consumption. According to this, we cut down on our energy, chemical and water consumption by using new generation washing machines in our factory.

OLD GENERATION
WASHING MACHINE



Savings up to;



OLD GENERATION
WASHING MACHINE



WHAT? WE DO!

WATERLESS & STONELESS ENZYME WASH

As an alternative to the pumice stone used in the standard process, we use our special waterless enzyme which is the result of our sustainability studies. In this way, we save the rinsing water needed to remove the excess stone dust from the denim fabric.



enzyme



no pumice stone



no water

Savings up to;



75%



45%



62%

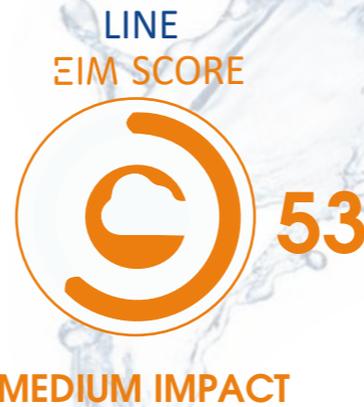
WHAT? WE DO!

ECOLOGICAL DENIM WASHING LINE

We provide savings in the field of chemicals, water and energy thanks to our innovative project that includes ozone, laser and nano technologies which are used on a single line.

STANDARD WASHING

ECOLOGICAL WASHING



Savings up to;



75%



57%



53%





WASTEWATER RECYCLING PROJECT

Recycled water is a reliable water resource that we consider when formulating a sustainable water policy.

Here are some advantages that recycling and reuse of process water and wastewater bring:

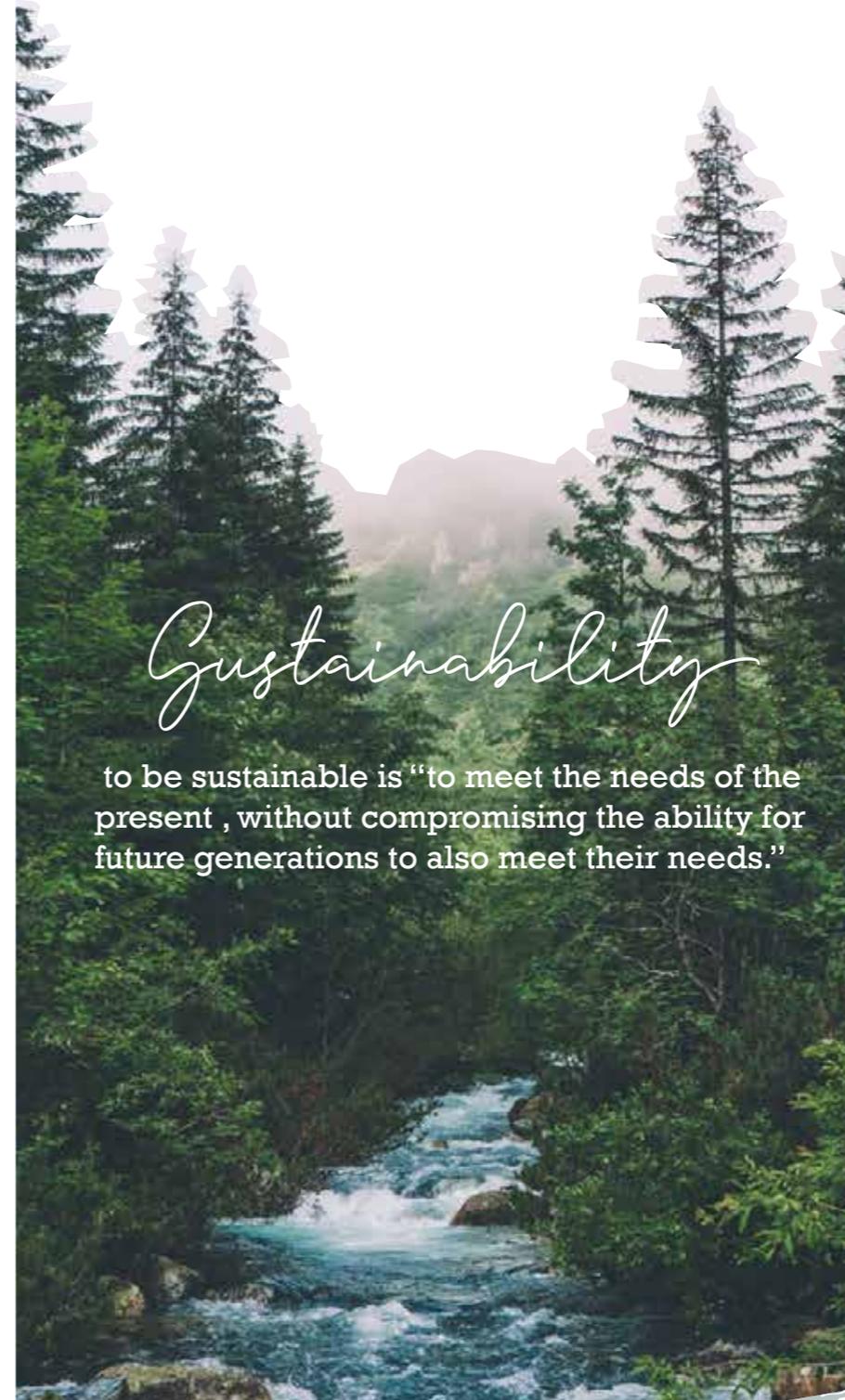
- Reducing environmental impact
- Reduce demands and stress on freshwater supply
- Improving sustainability
- Lower pollution risks



SUSTAINABLE WATER

We aim to complete our recycling facility by the end of 2022.

We will recycle and reuse 85% of our waste water in our processes with our wastewater recovery project.



Sustainability

to be sustainable is "to meet the needs of the present , without compromising the ability for future generations to also meet their needs."

ECO

FRIENDLY

DENIM

CHEMICAL MANAGEMENT

At Realkom we provide an inventory of maximum recommended Levels of known hazardous substances for a variety of products in line with our RSL/MRSL compliance policy. When choosing our chemical suppliers, we pay attention them to be ZDHC, OEKO-TEX, GOTS certified. In this way, we support zero risk.



WHAT? WE DO!

A HOLISTIC APPROACH TO SUSTAINABLE CHEMICAL MANAGEMENT



WHAT? WE DO!

SUSTAINABLE CHEMICAL MANAGEMENT

 We support the ZDHC (Zero Discharge of Hazardous Chemicals) program.

 We are working to replace chemical substances that are harmful to human health and the environment with safer alternative and innovative substances.

 We monitor MRSL (Manufactured Restricted Substance list) and RSL (Restricted Substance list) lists of our customers and perform audits. We ensure the product safety of our chemicals.

 We carry out risk assessments by identifying hazards and calculating human health and environmental risks for each chemical we are using in our laundry.

 We create digital inventories of our chemicals with BHive and we share them transparently with our customers.

WHAT? WE DO!

ORGANIC CHEMICAL PRODUCTION

We conduct studies to replace chemical substances that harm the environment and human health with environmentally friendly chemicals that are safe for human ecology in order to provide responsible management of chemicals.

We produce environmentally friendly organic chemicals in cooperation with “Realkom” and “Denim Chemical” that are an alternative to the eight chemicals that we use currently.

The organic chemicals we formulate have GOTS (Global Organic Textile Standard) certification, and we ensure the sustainability of safe chemical supply for the textile industry with this certificate.



*We are also included in the ZDHC program, where the sustainability of textile chemicals is evaluated.

WHAT? WE DO

LASER

Thanks to the laser process, which is the ultimate stage in the denim technology, dry process, manual operations, such as whiskers, sanding, attrition, and all the other effects that are used have been automated.

70% of the dry processes are made by laser. With this technology that we are developing day by day, we aim to remove all manual operations in the future and use our current workforce for scaling-up of the production capacity.



ENERGY MANAGEMENT

Our goal is to reduce our energy consumption by the least targeted amounts every year through continuous improvement activities, to increase our energy efficiency, and to reduce energy losses.

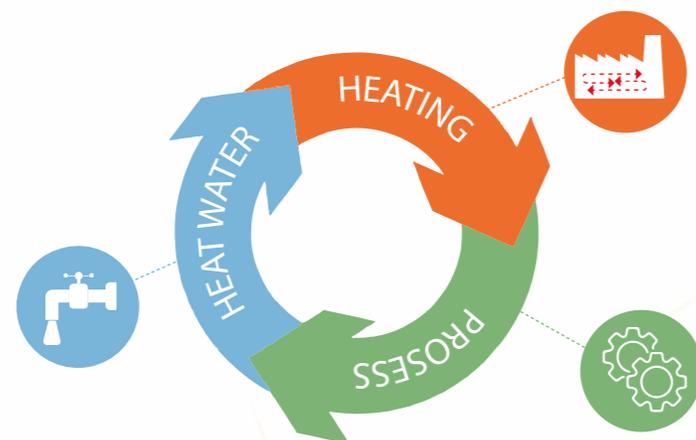
We monitor our energy consumption and evaluate our performance. We ensure that our Energy Management System is installed and executed in accordance with the ISO 50001 Energy Management System standard.



WHAT? WE DO!

WASTE HEAT RECOVERY

The need for energy is increasing day by day due to the developments in the industry. As a result, the concept of energy efficiency has emerged. Energy efficiency is all of the efficiency-enhancing measures such as the recovery and reuse of the formations removed from the system as waste, and more advanced industrial processes.



We provide hot water to the facility by recovering the waste heat thrown into the air from the compressors, steam boilers, and drying machines according to the work we have done with the aim of maximum energy efficiency.



SOLAR POWER PLANT PROJECT

One of our most important goals is to achieve energy production and consumption within the framework of the concept of sustainable development. The main components of the concept of sustainable energy are the efficient and effective use of energy and renewable energy. In this context, renewable energy has become our priority.



We aim to complete our SPP project by 2023.

We will supply 45% of the electricity from renewable energy sources with SPP project.

🌐 CLIMATE CHANGE AND CARBON MANAGEMENT

Climate change is considered as the most important environmental problem of our time. Our strategy to combat climate change, which constitutes a large part of our environmental management;

- To control greenhouse gas emission sources by reducing its impact,
- To control the equipment used in production is environmentally friendly and to provide that it has low carbon emissions,
- To develop projects for energy efficiency,
- To comply with the legal regulations about greenhouse gas management,
- To reduce energy and resource consumption within the scope of continuous improvement.



🌐 INNOVATION

In the profession of denim, a big change is taking place. Digital and technology are taking a crucial place and are shaping the fashion industry and consumer choice. The environmental and social footprint of denim becomes more manageable with these game-changers. This is why the contribution of innovation is becoming more and more necessary and vital to the functioning and efficiency of Realkom's operations.



- 60% Realtime data (2021)
- Target of 2022 is 80% Realtime data

Innovation and knowledge become the key points and are parts of our business case that will transform over time our way of dressing, understanding and living denim. To create a positive transformation at Realkom we have initiated several business projects.

WHAT? WE DO!

R&D CENTER

We have carried out many project with our R&D center that has been operating since 2017. It is certified by the Ministry of Industry and Technology, and our R&D team consists of 20 people.



WHAT? WE DO!

RECORE SOFTWARE

Digitalization is taking up more space in our lives with the developing technology. We create the most efficient production lines by digitizing all analogue production systems and end-to-end digitalization of production with the "RECORE Software Project" created by our software team and engineers. In this direction, we continue production in a technological structure that can constantly improve itself thanks to instant data and quality measurements.



Our goal in the future is to establish digital production system that we can analyse and develop digital production trakcs in every region of Turkey and to monitor them remotely.

Ⓢ OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT

In line with its Occupational Health and Safety (OHS) policy we seeks to ensure the safe operation of the services provided in accordance with national and international regulations.

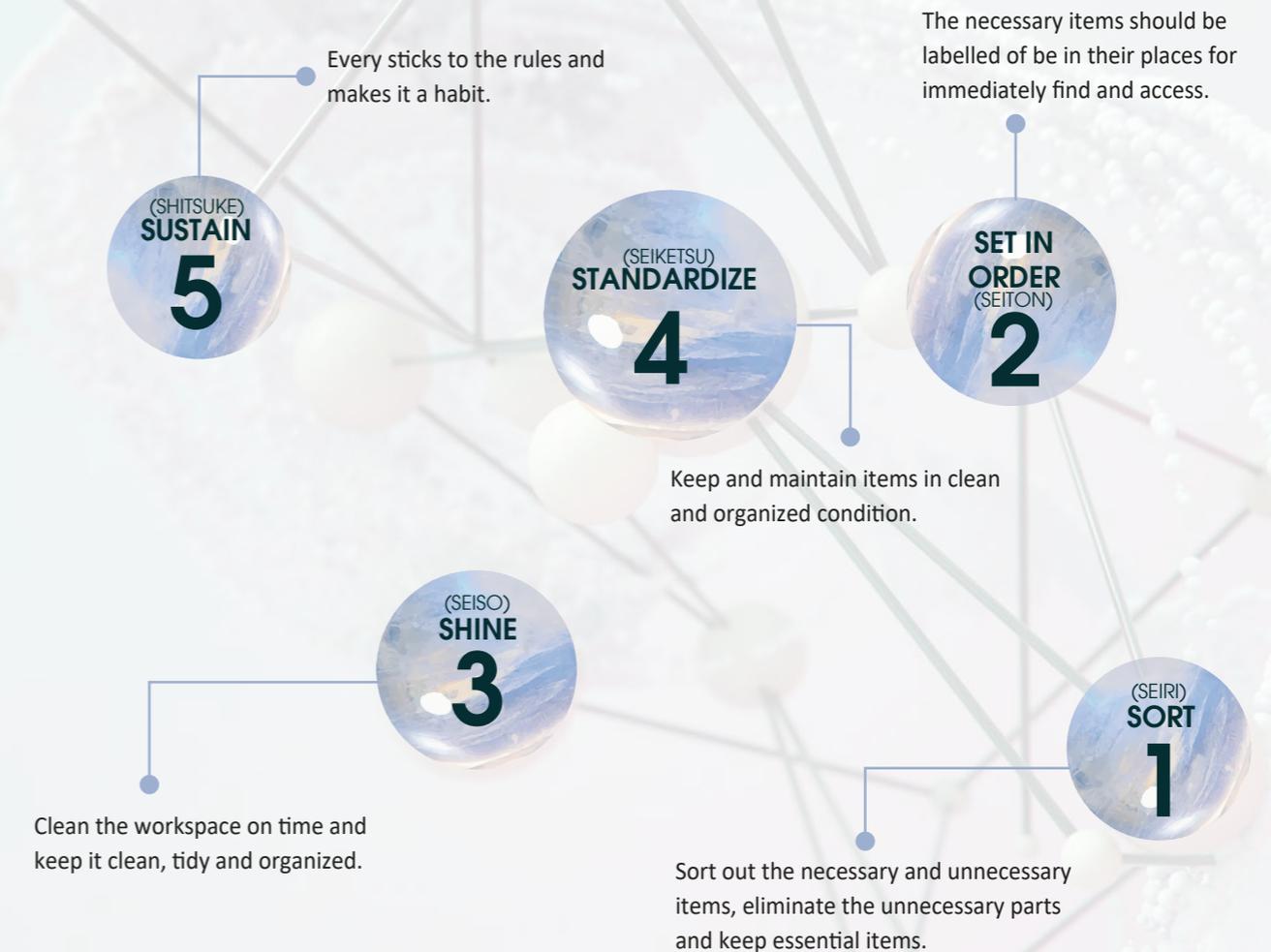


To reach the “Zero Incident” target our dedicated OHS experts analyze the accidents and determine the root casues. In the framework of ISO 45001 standard, we ensure the development of the procedures. We seek to ensure continuous improvement of OHS management system.



Ⓢ 5S MANAGEMENT

We apply the 5S method in order to systematically implement, manage and maintain industrial order, and cleanliness of the factory and to create an efficient working environment.



We focus on the issues listed as faulty production, overproduction, excess stock, waiting, unnecessary work, unnecessary transportation and unnecessary movements, and we carry out improvement studies with the 5S method.

🌐 HUMAN CAPITAL MANAGEMENT

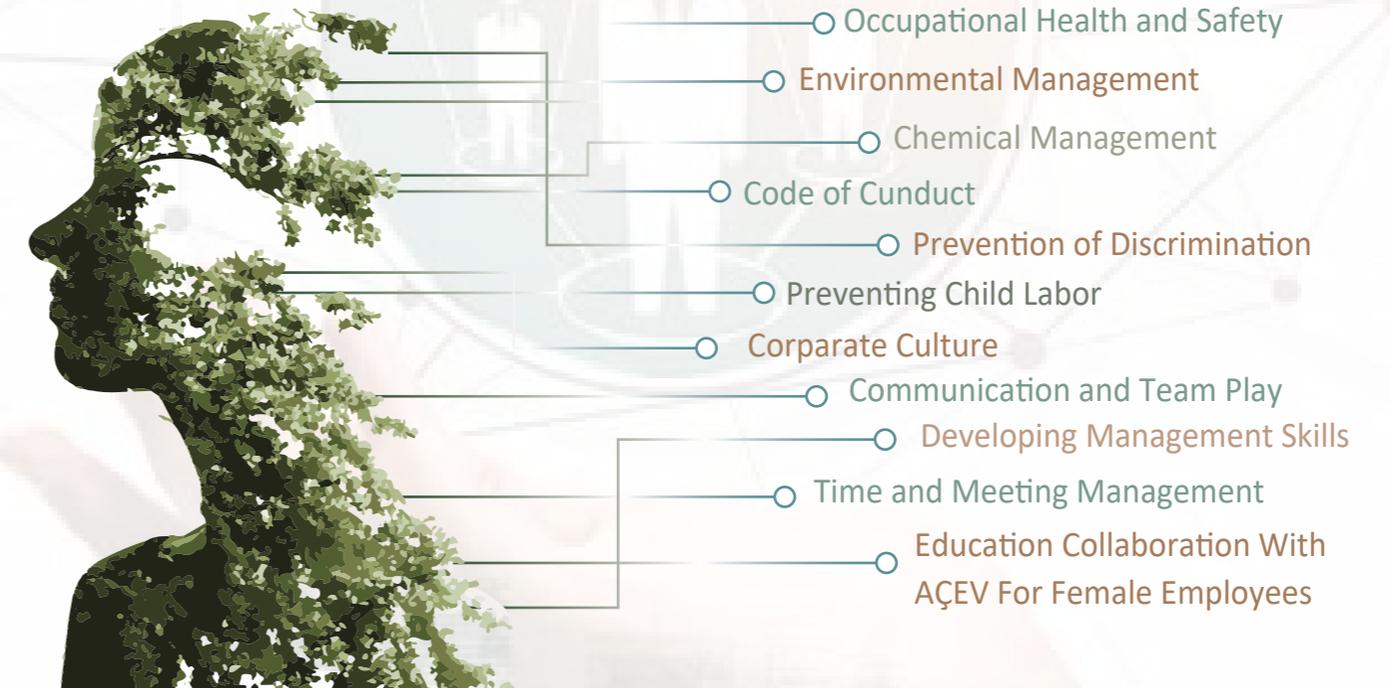
“Human capital is the company’s primary asset”: this is one of the principles of Realkom’s corporate charter. The recruitment process, orientation, internal and external training, career planning, organizational studies, and all employee evaluations are designed and implemented in accordance with these principal goals, such as creating a basic understanding of sustainability for our employees and the community in our sphere of influence, these objectives.



EMPLOYEE DEVELOPMENT

In line with its vision and inclusive HR policy, Realkom adopts the principle of creating training and development opportunities for all its employees. These opportunities are shaped around organizational, functional, and individual needs and expectations and are of the utmost importance for an agile organizational structure.

EMPLOYEE DEVELOPMENT



We attach the utmost importance to the professional and individual development of each employee. The goal is to help employees become better acquainted with each other, control their interactions with others, and achieve professional excellence. By encouraging these employees to comply with the behaviors expected by our company culture. These practices are part of Realkom’s corporate charter.

**LESS WATER
LESS ENERGY
LESS CHEMICALS**



TAKE

ACTION

FOR

CHANGE



*FSC Certificate approved paper was used in the production of this report.

The Forest Stewardship Council (FSC) is an international, non-governmental organisation dedicated to promoting responsible management of the world's forests.

